CFL Mauritius Ltd

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

CFL Mauritius Ltd

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS **PAGES**

COMPANY INFORMATION	2
COMMENTARY OF THE DIRECTORS	3
CERTIFICATE FROM THE SECRETARY	4
INDEPENDENT AUDITOR'S REPORT	5 - 6
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 22

CFL Mauritius Ltd

COMPANY INFORMATION

		Date of appointment	Date of resignation
DIRECTORS :	Venkatachalam Ravichandran	17 June 2008	-
	Purushothaman Varadarajan	17 June 2008	-
	Resmah Bibi Mandary	22 June 2015	-
	Sameer Goel	10 September 2018	-
	Kooshal Ashley Torul	13 March 2019	-

REGISTERED OFFICE : IFS Court
Bank Street
TwentyEight Cybercity
Ebène 72201
Republic of Mauritius

ADMINISTRATOR, SECRETARY& TAX AGENT : SANNE Mauritius
IFS Court
Bank Street
TwentyEight Cybercity
Ebène 72201
Republic of Mauritius

AUDITOR : Deloitte
7th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène 72201
Republic of Mauritius

BANKER : SBI (Mauritius) Ltd
7th Floor SBI Tower
45 Mindspace
Ebène, Cybercity
Mauritius

CFL Mauritius Ltd

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the audited financial statements of CFL Mauritius Ltd (the "Company") for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to hold investments.

On 08 December 2009, the Company's business objective had been extended to cover trading activities, within the same line of business. Such trading activity involves the buying and selling of raw materials to the sole shareholder, Coromandel International Limited. As of date, the Company has not engaged into any such trading activities.

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, Deloitte, has indicated its willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166(d) OF THE MAURITIAN COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of CFL Mauritius Ltd under the Mauritian Companies Act 2001 during the year ended 31 December 2019.

***For* SANNE Mauritius**
Secretary

Registered Office:

IFS Court
Bank Street
TwentyEight Cybercity
Ebène 72201
Republic of Mauritius

Date: 16 July 2020

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Shareholder of CFL Mauritius Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **CFL Mauritius Ltd** (the "Company") set out on pages 7 to 22, which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Commentary of the Directors and Certificate from the Secretary, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Shareholder of CFL Mauritius Ltd (cont'd)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the Company's shareholder, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Deloitte

Chartered Accountants

Agrawal.

Vishal Agrawal, FCA

Licensed by FRC

16 JUL 2020

CFL Mauritius Ltd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 USD	2018 USD
INCOME		
Interest income on bank balances	297	341
	297	341
EXPENSES		
Professional fees	19,343	22,881
Audit fees	13,850	14,080
Licence fees	2,600	2,500
Bank charges	875	775
	36,668	40,236
Loss before income tax	(36,371)	(39,895)
Income tax expense (Note 6)	-	-
Loss for the year	(36,371)	(39,895)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Loss on fair valuation of equity instruments at fair value through other comprehensive income (Note 7(a))	-	(7,512,643)
Other comprehensive loss	-	(7,512,643)
Total comprehensive loss for the year	(36,371)	(7,552,538)

The notes on pages 11 to 22 are an integral part of these financial statements.

CFL Mauritius Ltd

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	2019 USD	2018 USD
ASSETS		
Non-current assets		
Financial assets at fair value through other comprehensive income (Note 7(a))	8,331	8,331
Current assets		
Prepayments	5,475	5,375
Cash and cash equivalents	275,649	310,886
	281,124	316,261
Total assets	289,455	324,592
EQUITY		
Stated capital (Note 8)	22,025,000	22,025,000
Fair value reserve	(27,397,794)	(27,397,794)
Retained earnings	5,646,239	5,682,610
Total equity	273,445	309,816
LIABILITIES		
Current liabilities		
Accruals	16,010	14,776
Total liabilities	16,010	14,776
Total equity and liabilities	289,455	324,592

Authorised for issue by the Board of directors on 16 July 2020 and signed on its behalf by:

} DIRECTORS

Ms Resmah Bibi Mandary

Ms Dilshaad Banu Rajabalee
(Alternating for Mr Kooshal Ashley Torul)

CFL Mauritius Ltd

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Stated capital USD	Fair value reserve USD	Retained earnings USD	Total equity USD
Balance at 1 January 2018	22,025,000	(19,885,151)	5,722,505	7,862,354
Loss for the year	-	-	(39,895)	(39,895)
Other comprehensive income				
Loss on fair valuation of equity instruments at fair value through other comprehensive income (Note 7)	-	(7,512,643)	-	(7,512,643)
Loss and total comprehensive loss	-	(7,512,643)	(39,895)	(7,552,538)
Balance at 31 December 2018	22,025,000	(27,397,794)	5,682,610	309,816
Balance at 1 January 2019	**22,025,000**	**(27,397,794)**	**5,682,610**	**309,816**
Loss for the year	-	-	**(36,371)**	**(36,371)**
Other comprehensive income				
Loss on fair valuation of equity instruments at fair value through other comprehensive income (Note 7)	-	-	-	-
Loss and total comprehensive loss	-	-	**(36,371)**	**(36,371)**
Balance at 31 December 2019	**22,025,000**	**(27,397,794)**	**5,646,239**	**273,445**

The notes on pages 11 to 22 are an integral part of these financial statements.

CFL Mauritius Ltd

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 USD	2018 USD
Cash flows from operating activities		
Loss before income tax	**(36,371)**	(39,895)
Adjustments for:		
Interest income	**(297)**	(341)
	(36,668)	(40,236)
Increase in prepayments	**(100)**	-
Increase / (decrease) in accruals	**1,234**	(2,409)
Cash used in operating activities	**(35,534)**	(42,645)
Interest received	**297**	341
Net cash used in operating activities	**(35,237)**	(42,304)
Net decrease in cash and cash equivalents	**(35,237)**	(42,304)
Cash and cash equivalents at beginning of the year	**310,886**	353,190
Cash and cash equivalents at end of the year	**275,649**	310,886

The notes on pages 11 to 22 are an integral part of these financial statements.

1 GENERAL INFORMATION

CFL Mauritius Ltd (the "Company") is a private company limited by shares, incorporated in the Republic of Mauritius on 17 June 2008. The Company holds a Category 1 Global Business Licence issued under the Financial Services Act 2007 and is regulated by the Financial Services Commission. The Company is domiciled in the Republic of Mauritius and the address of its registered office is IFS Court, Bank Street, TwentyEight Cybercity, Ebène 72201, Republic of Mauritius.

The principal activities of the Company are investment holding and trading. However, as of date, the Company has not engaged into any trading activities.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Standards Interpretations Committee ("IFRS IC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 01 January 2019.

2.1 New and revised Standards that are effective but with no material effect on the financial statements

Amendments to IFRS 9 Prepayment Features with Negative Compensation

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

IFRIC 23 Uncertainty over Income Tax Treatments

Classification and measurement of financial assets

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements. IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about judgements made; assumptions and other estimates used; and the potential impact of uncertainties that are not reflected.

Amendments to IAS 12 Income Taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

2.2 New and revised Standards and Interpretations in issue but not yet effective

At the date of the authorisation of the financial statements, management anticipates that the following relevant new and revised standards that were issued but effective only in the future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

IAS 1	Amendments regarding the classification of liabilities (effective 1 January 2022)
IAS 1	Presentation of Financial Statements: Amendments regarding the definition of material (effective 1 January 2020)
IAS 8	Acounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material (effective 1 January 2020)
IFRS 9 and IFRS 7	Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and under the historical cost convention, as modified by the fair valuation of financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The directors consider the United States dollar ("USD") as the currency that most faithfully represents the economic effects of the underlying events, transactions and conditions. The financial statements are presented in USD, which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary financial assets such as financial assets at fair value through OCI are included in other comprehensive income and cumulated in 'Fair value reserve' in equity.

Financial instruments

Financial instruments carried on the statement of financial position include financial assets carried at fair value through OCI, cash and cash equivalents and accruals. The particular recognition methods adopted are disclosed in the accounting policies below.

- Classification and measurement

As from 1 January 2017, the Company classifies its financial assets in the following categories: those to be measured subsequently at fair value, and those to be measured at amortised cost as follows:

Financial assets designated at Fair value through Other Comprehensive Income ("FVTOCI")

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

The Company's policy requires the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets designated at Fair value through Other Comprehensive Income ("FVTOCI") (continued)

Measurement

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

The Company subsequently measures its equity investments at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through OCI are not reported separately from other changes in fair value.

Measured at amortised cost: cash and cash equivalents

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

A financial asset is subsequently measured at amortised cost, if it is held within a business model with an objective to hold assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payment of principal and interest.

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes in fair value recognised in profit or loss.

Recognition and derecognition

Regular purchases and sale of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value estimation (continued)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

Stated capital

Ordinary shares are classified as equity.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Accruals

Accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Current and deferred income tax

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting period and are expected to apply when the related deferred income tax asset is recognised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Revenue recognition

Interest income is recognised on a time-proportionate basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Expenses recognition

Expenses are accounted for in the statement of profit or loss on an accrual basis.

4 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

4 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (continued)

The Board of directors of the Company manages the financial risk by ensuring periodical review of the operations and ensuring adequate internal controls to avoid negative impact of such risks on the Company.

(i) *Market risk*

Market risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices. Market risk comprises of three types of risks: foreign exchange risk, interest rate risk and price risk.

- *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows fluctuate because of changes in foreign exchange rates.

Foreign exchange risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. Accordingly, the effect of foreign exchange on investment in equity securities classified as financial assets at fair value through OCI are considered under price risk below. At 31 December 2019, the Company did not have any financial instrument denominated in foreign currency and was therefore not exposed significantly to foreign exchange risk.

- *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company holds cash and cash equivalents which expose it to cash flow interest rate risk. However, the interest earned on balances held with bank was not significant and any fluctuations in the interest rate would not significantly affect the Company.

- *Price risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or foreign exchange risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to equity securities price risk on its financial assets at fair value through OCI.

A 5% (2018: 5%) change in the equity price of the financial assets at fair value through OCI, including the effect of changes in foreign currency, could have an impact of **USD 417** (2018 – USD 417) on total comprehensive income and equity.

(ii) *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises mainly from cash balances held in banks. The Company's bank balances are placed with reputable financial institutions.

The Company has a bank account with SBI (Mauritius) Ltd, whose international credit rating issued by S&P at the year end was BBB-/A3/Stable.

4 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash. In addition, the Company has support from its parent for its financing needs. The Company's financial liabilities as at 31 December 2019 amounted to **USD 16,010** (2018 – USD 14,776) and are repayable within one year. At 31 December 2019, the Company had cash at bank amounting to **USD 275,649** (2018 – USD 310,886), which is sufficient to finance the Company's financial liabilities.

Capital risk management

The Company's objective when managing capital is to safeguard its ability to pay its debts as and when they fall due in order to continue as a going concern and provide returns for the shareholder and benefits for other stakeholders. Capital comprises equity. In order to maintain or adjust the capital structure, the Company may issue new shares or have recourse to its parent for funding.

Fair value estimates

The carrying amounts of the Company's financial assets and financial liabilities approximate their fair values.

The Company classifies fair value measurements using a fair value hierarchy that reflect the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The directors consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Fair values for the unlisted equity securities held by the Company are determined by the directors using appropriate valuation techniques. Such valuation techniques may include earnings multiples and discounted cash flows. The directors adjust the valuation model as deemed necessary for factors such as non-maintainable earnings, tax risk, growth stage and cash traps. The valuation techniques also consider the original transaction price and take into account the relevant developments since the acquisition of the investments and other factors pertinent to the valuation of the investments, with reference to such rights in connection with realisation, recent third-party transactions of comparable types of instruments, and reliable indicative offers from potential buyers.

The fair value of the financial assets at fair value through OCI is not based on observable market data and these instruments are therefore included in Level 3.

The valuation technique is described in the critical accounting estimates in Note 5.

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (Continued)

Fair value estimates (continued)

The table below shows the direction of an increase or decrease in the respective input variables on the valuation result.

As at 31 December 2019

Investee company	Fair value at 31 December 2019	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute values)	Change in valuation +/-
	USD					USD
Foskor (Proprietary) Limited	1	Discounted cash flows	Cost of Capital	Range from 13.08% to 15.08%	1%	-
			EBITDA margin	Range from 1% to 4%	5%	-
			Growth rate	Range from 2% to 3%	1%	-

As at 31 December 2018

Investee company	Fair value at 31 December 2018	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute values)	Change in valuation +/-
	USD					USD
Foskor (Proprietary) Limited	1	Discounted cash flows	Cost of Capital	12.31%	1%	-
			EBITDA margin	Range from 1% to 4%	5%	-
			Growth rate	2%	1%	-

There has been no transfer between levels during the year. The movements in Level 3 investments are disclosed in Note 7.

The investment in Coromandel Brasil Limitada has been stated at cost as the directors consider that the fair value of the investment approximates at least the cost.

The carrying value of the remaining financial assets and financial liabilities approximate their fair values.

Financial instruments by category

	Asset at amortised cost	Asset at fair value through OCI	Total assets
	USD	USD	USD
ASSETS			
At 31 December 2019			
Financial assets at fair value through other comprehensive income	-	8,331	8,331
Cash and cash equivalents	275,649	-	275,649
Total assets	275,649	8,331	283,980

4 FINANCIAL RISK MANAGEMENT (Continued)

Financial instruments by category (continued)

	Asset at amortised cost	Asset at fair value through OCI	Total assets
	USD	USD	USD
ASSETS			
At 31 December 2018			
Financial assets at fair value through other comprehensive income	-	8,331	8,331
Cash and cash equivalents	310,886	-	310,886
Total assets	310,886	8,331	319,217

	Other financial liabilities	Total liabilities
LIABILITIES	**USD**	**USD**
At 31 December 2019		
Accruals	**16,010**	**16,010**
At 31 December 2018		
Accruals	14,776	14,776

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical accounting estimates

Fair valuation of the financial asset at fair value through other comprehensive income

The Company has invested in the unquoted equities of Foskor (Proprietary) Limited. Consistent with prior years, the fair value of such securities has been determined by using the Discounted Cash Flow (DCF) method. The valuation has been undertaken by an independent professional valuer, SSPA & Co.

As for the investment in Coromandel Brasil Limitada, the directors consider the cost to approximate its fair value.

- *Discounted Cash Flow ("DCF") Method*

The DCF method values the business by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash discounted by Weighted Average Cost of Capital (WACC). The WACC represents the returns expected by the investors of both debt and equity, weighted for their relative funding in the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the business.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Discounted Cash Flow ("DCF") Method (continued)

For sensitivity analysis in respect of the unobservable input used in the valuation model, refer to Note 4. In addition to those, revenue forecasted in the DCF is considered as a significant estimate made.

If Foskor (Proprietary) Limited's projected revenue in the first year is 30% higher/lower, with growth rate assumed in subsequent years and other variables remaining constant, the fair value as at 31 December 2019 will increase/decrease by USDnil.

A revenue growth rate of 20% has been used in the first year of the DCF. If the growth rate, assuming the revenue in the base year is achieved, decreases/increases by 1%, the impact on fair value would be USDnil higher or USDnil lower.

6 INCOME TAX

South Africa

The Company invests in South Africa and the directors expect to obtain benefits under the double taxation treaty between South Africa and Mauritius. To obtain benefits under the double taxation treaty, the Company must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Company has obtained a tax residence certification from the Mauritian authorities which is renewable on an annual basis subject to meeting the conditions and believes such certification is determinative of its resident status for treaty purposes.

The treaty provides for a maximum dividends withholding tax of **5%** (2018 - 5%) for substantial holdings of at least **10%** (2018 - 10%) and withholding tax of **10%** (2018 - 10%) for holdings less than **10%** (2018 - 10%). There is a 10% withholding tax on interest paid by a resident of South Africa to a resident of Mauritius.

Gains derived by a resident of Mauritius from the sale of shares deriving more than 50% of their value directly or indirectly from immovable property situated in South Africa may be taxed in South Africa.

Other gains or profits arising from sale of units or securities are tax-exempt in the hands of the Company in Mauritius. Dividends and redemption proceeds paid by the Company to its shareholders do not attract withholding tax.

Mauritius

The Company holds a Category 1 Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from January 1, 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before October 16, 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to June 30, 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to June 30, 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of Shares.

6 INCOME TAX (CONTINUED)

Post 30 June 2021 and under the new tax regime, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to interest income and foreign source dividends , subject to meeting certain conditions, which includes:

a) The Company carries out its core income generating activities in Mauritius;
b) The Company employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
c) The Company incurs a minimum expenditure proportionate to its level of activities.

The Company will also need to demonstrate that its central management and control is in Mauritius.

At 31 December 2019, the Company had accumulated tax losses of **USD 192,551** (2018 – USD 206,944) and was therefore not liable to income tax. Accumulated tax losses can be carried forward for set-off against income earned in the five years succeeding the year in which the loss is incurred.

The tax losses are available for set-off against the taxable profit of the Company as follows:

	2019 USD	2018 USD
Up to year ending:		
31 December 2019	**-**	50,936
31 December 2020	**36,484**	36,484
31 December 2021	**36,655**	36,655
31 December 2022	**42,758**	42,758
31 December 2023	**40,111**	40,111
31 December 2024	**36,543**	-
	192,551	206,944

A reconciliation between the actual income tax and the theoretical amount that would arise using the applicable income tax rate of **15%** (2018 - 15%) is as follows:

	2019 USD	2018 USD
Loss before income tax	**(36,371)**	(39,895)
Tax at applicable rate of 15%	**(5,456)**	(5,984)
Impact of:		
Exempt income	**(45)**	(51)
Non-allowable deductions	**19**	19
Tax losses for which deferred tax asset has not been recognised	**5,482**	6,016
Actual income tax expense	**-**	-

At 31 December 2019, the directors have not recognised a deferred income tax asset amounting to USD 5,777 (2018 - USD 6,208) in respect of accumulated losses as the directors believe it is not probable that future taxable income will be available against which the deferred tax assets can be utilised.

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) *Financial assets at fair value through other comprehensive income*

	2019 USD	2018 USD
At beginning of year	**8,331**	7,520,974
Fair value loss	**-**	(7,512,643)
At end of year	**8,331**	8,331

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the group considered this to be more relevant.

(b) *Details of investments*

	Country of incorporation	**Type of shares**	**Carrying value 2019 USD**	Carrying value 2018 USD
Foskor (Proprietary) Limited	South Africa	Ordinary	**1**	1
Coromandel Brasil Limitada	Brazil	Ordinary	**8,330**	8,330
			8,331	8,331

Financial assets at fair value through other comprehensive income at 31 December 2019 and 31 December 2018 have been recognised at fair value.

8 STATED CAPITAL

	2019 Number	2018 Number	**2019 USD**	2018 USD
Issued and fully paid up:				
Ordinary shares at USD 1 each				
At beginning and end of year	**22,025,000**	22,025,000	**22,025,000**	22,025,000

In accordance with the Company's Constitution, the ordinary shares confer to its holder the rights to attend and exercise one vote at meetings of members and a right to receive any dividend/distribution or return of capital.

9 RELATED PARTY DISCLOSURES

During the year ended 31 December 2019, the Company transacted with related parties.

Details of the nature, volume of transactions and balances for related party transactions are as follows:

Name of Related Party	**Relationship**	**Nature of transactions**	**Volume of transactions 2019 USD**	**Payable balance 2019 USD**	Volume of transactions 2018 USD	Payable balance 2018 USD
SANNE Mauritius	Administrator, Secretary and Directorship	Professional fees (Including director fees of USD4,000 (2018: USD4,000))	**19,343**	**(2,160)**	22,881	(925)
			======	======	======	======

10 GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

11 IMMEDIATE PARENT AND ULTIMATE PARENT

The directors consider Coromandel International Limited, a listed company incorporated in accordance with the laws of Republic of India, as the immediate parent and the ultimate controlling party is E.I.D.-PARRY (INDIA) LTD., also incorporated in India and listed on the India stock exchanges.

12 EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2019, the recent global outbreak of Coronavirus ("COVID-19") has caused significant volatility within the economic markets, for which the duration and spread of the outbreak, and the resultant economic impact is uncertain and cannot be predicted. This may directly or indirectly impact the Company's activities in material respects by interrupting and disrupting business and transactional activities. The effect of the impact of COVID-19 has not been reflected in these financial statements; such impact may affect the future results and affairs of the Company.